



Ready, Set, Retire
Continuing Benefits at Retirement



Human Resources Enterprise
Department of Administrative Services
stateretirees@iowa.gov



PLANNING FOR RETIREMENT

Health care is one of the largest costs in retirement

Planning for these expenses is a critical part of any retirement strategy




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OVERVIEW

This presentation highlights the features of continuing State of Iowa benefits at retirement

- Health insurance
- Dental insurance
- Life insurance

Benefit information is current but subject to change



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WHAT WE WILL DISCUSS TODAY

- General Information for all retirees
- Health Insurance options
- The Sick Leave Insurance Program (SLIP)
- Medicare Overview
- Health Insurance Premiums
- Dental Insurance
- Life Insurance
- Resources



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GENERAL INFORMATION FOR ALL RETIREES



ELIGIBILITY FOR RETIREE COVERAGE

- Age 55+ by your retirement date
- Receive an IPERS monthly benefit
- Enrolled in health and dental coverage at the time of retirement



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GET STARTED: RETIREE BENEFITS PROCESS

- Contact agency Human Resource Associate (HRA)
das.iowa.gov/agency-human-resources-contacts
- Complete forms and applications
- Begin the process 6 to 8 weeks before retirement



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SICK LEAVE PAYOUT AT RETIREMENT

Included on your last pay warrant

- Time worked during the last pay period
- Accrued but unused vacation hours
- Up to \$2,000 from the retiree’s sick leave balance

\$2,000 Sick Leave Payout

- Mandatory
- Taxed based on your W-4 on file



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**AN OPTION FOR YOU TO CONSIDER:
SICK LEAVE / VACATION PAYOUT**

Direct all or some of your sick leave payout and unused vacation payout to your Retirement Investors’ Club (RIC) deferred compensation account.

Contact the RIC team at ric@iowa.gov or 866-460-4692 with questions.



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PARTICIPATE IN HEALTH FSA?

If you participate in the Health Flexible Spending Account plan and retire prior to December, you can [prepay](#) for coverage for the rest of the year with your final check.

Email fsa@iowa.gov if you have any questions.



GENERAL INFORMATION FOR INSURANCE COVERAGE



NO BREAK IN COVERAGE



Active coverage ends last day of the month of employment

Retiree coverage begins on the first of the month following your retirement date



IMPORTANT INFORMATION

If you DROP the State of Iowa health or dental coverage, there is **NO provision for rejoining the group**



REMOVING OR ADDING A FAMILY MEMBER

You may REMOVE a spouse or dependent ANY TIME. You do not need to experience a qualifying life event.

If you remove and later wish to re-enroll a family member, you may only do so during:

- A qualified life event
- Annual enrollment and change



SURVIVING SPOUSE

If your spouse is covered under your State of Iowa health and dental plans at the time of your death, your spouse can continue coverage



ANNUAL OPEN ENROLLMENT PERIOD

Begins in October, ends December 7

- Elect a new health insurance plan
- Change coverage level for health and dental
- Add/remove dependents for health and dental coverage



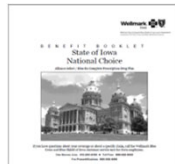
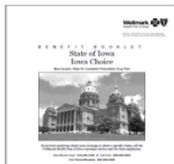
ACTIVE vs RETIREE COVERAGE

If you go on RETIREE HEALTH COVERAGE, (including SLIP coverage), you are:

- **No longer eligible for:**
 - Prudent Rx (CVS Caremark)
 - Livongo (Diabetes Prevention Program)
 - Blue365 (Insurance discount program)
- **Medicare eligible**
 - Medicare becomes your primary payer

CHANGING HEALTH INSURANCE

- At the time you retire
- As the result of a qualified life event
- During the annual enrollment and change period



PERMANENT RELOCATION

If you are enrolled in Iowa Choice and permanently relocate:

- Relocation is considered a life event for Iowa Choice
- At the time of relocation, you can elect National Choice if you choose to do so



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GUEST MEMBERSHIP

Guest Membership allows you to access covered services at Blue Cross and Blue Shield health care providers throughout the U.S.

To qualify for Guest Membership, you must be:

- Enrolled in Iowa Choice, **AND**
- Out of Iowa at least 90 consecutive days



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GUEST MEMBERSHIP - Continued

- Only available in the U.S.
- Benefits only in the state where you have signed up
- Premiums remain the same
- Cost sharing remains the same

Contact Wellmark customer service at 800-622-0043



- Before you leave
- Change of addresses
- Return to Iowa



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MEDICARE-ELIGIBLE Individual

- Medicare is your primary coverage
- You MUST enroll in Medicare Part A and Part B
- You can enroll 3 months prior to retirement
- State retiree health coverage will pay after Medicare pays



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Health Insurance Options



When No One is Eligible for Medicare

- Iowa Choice – Single or Family Coverage
- National Choice – Single or Family Coverage

When One is Medicare Eligible and Others Are Not

- Iowa Choice – Single or Family with MedicareBlue Rx for reduced premium
- National Choice – Single or Family with MedicareBlue Rx for reduced premium



When All are Medicare Eligible - 4 Options

- **Iowa Choice** – Single or Family, with MedicareBlue Rx for reduced premium
- **National Choice** – Single or Family, with MedicareBlue Rx for reduced premium
- **Group Program F** – Single plan only. Dependent can enroll if also Medicare eligible
- **Group Program N** – Single plan only. Dependent can enroll if also Medicare eligible



MEDICARE-ELIGIBLE Individual

Iowa Choice or National Choice

- Same coverage as active state employees
- Pays secondary to Medicare. Medicare is primary

Note: Iowa Choice and National Choice are not technically considered supplement plans, but they do function like supplement plans



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PROGRAM F AND N ELIGIBILITY

- Eligibility for Group Program F and N Plans
 - State of Iowa Medicare-eligible retiree
 - Medicare-eligible spouse or domestic partner

Important Note:

If the retiree is eligible for Medicare but the spouse is NOT, the spouse cannot have Iowa Choice or National Choice single coverage



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GROUP PROGRAMS F AND N

Is the Plan F still available?

Effective January 1, 2020, a Medicare Supplement Plan F can **NOT** be sold or issued to a newly eligible Medicare beneficiary.

BUT

Since the State's Program F is a group plan, we are able to offer it.



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GROUP PROGRAMS F AND N

Group Program F and Group Program N

Benefit design same Medicare Supplement F and N

Group (State) Program F and N – Nationwide Coverage

See any provider who accepts Medicare

Only covers Medicare-eligible expenses not paid by Medicare

Medicare covers the service - covered by Group Program F or Group Program N



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GROUP MEDICAREBLUE RX FOR IOWA

With Iowa Choice or National Choice

How does Group MedicareBlue Rx save you money?

Wellmark and MedicareBlue Rx Iowa coordinate prescription drug coverage, saving you a substantial amount on your monthly Wellmark premium



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GROUP MEDICAREBLUE RX FOR IOWA

With Group Program F or Group Program N

You may:

- Elect Group MedicareBlue Rx for Iowa plan
or
- Elect an individual prescription drug program from an insurance company offering a Medicare Part D program in the state where you live



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EXAMPLE 1

- Spouse 1 age 65 (Medicare Eligible)
- Spouse 2 age 62 (NOT Medicare Eligible)
- To cover the couple
 - Elect either Iowa Choice or National Choice, family coverage
 - Spouse 1 enrolls in Group MedicareBlue Rx for Iowa
- Spouse 2 - Iowa Choice or National Choice is primary

Coverage	Spouse 1	Spouse 2
Primary	Medicare	Iowa Choice or National Choice
Secondary	Iowa Choice or National Choice	



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EXAMPLE 1 - continued

When the spouse turns age 65 and also becomes Medicare eligible, both the state retiree and the spouse can:

- Continue with Iowa Choice (family)
- Elect National Choice (family)
- Each elect Group Program F or Group Program N (single plans only)

State Retiree & Spouse	Option 1 Iowa Choice	Option 2 National Choice	Option 3 Group Program F	Option 4 Group Program N
Primary	Medicare	Medicare	Medicare	Medicare
Secondary	Iowa Choice	National Choice	Group Program F	Group Program N
Rx Primary	Group MedicareBlue Rx	Group MedicareBlue Rx	Group MedicareBlue Rx	Group MedicareBlue Rx
Rx Secondary	Iowa Choice	National Choice	--	--



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EXAMPLE 2

- State retiree age 65 (Eligible for Medicare)
- Spouse age 64 (Not eligible for Medicare)
- State Retiree elects Group Program F and enrolls in Group MedicareBlue Rx for Iowa
- Since Group Program F only offers single plans, the spouse will not have state coverage

Coverage	State Retiree	Spouse
Primary	Medicare	Cannot be covered
Secondary	Group Program F	
Rx Primary	Group MedicareBlue Rx for Iowa	



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EXAMPLE 2 - continued

When the spouse turns age 65 (and also becomes eligible for Medicare), both the state retiree and spouse can now:

- Continue with Iowa Choice (family)
- Elect National Choice (family)
- Elect Group Program F or Group Program N (single plans only)

State Retiree & Spouse	Option 1 Iowa Choice	Option 2 National Choice	Option 3 Group Program F	Option 4 Group Program N
Primary	Medicare	Medicare	Medicare	Medicare
Secondary	Iowa Choice	National Choice	Group Program F	Group Program N
Rx Primary	Group MedicareBlue Rx	Group MedicareBlue Rx	Group MedicareBlue Rx	Group MedicareBlue Rx
Rx Secondary	Iowa Choice	National Choice	--	--



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The Sick Leave Insurance Program (SLIP)



SLIP Information and Resources

The Sick Leave Insurance Program (SLIP) offers retirement-eligible employees an option to use all or part of their unused sick leave balance to pay the state share of their group health insurance premiums after they retire until they become eligible for Medicare (usually at age 65). You must be the policy holder of a state’s health and dental plan at the time of enrollment.

SLIP Resources:

- [DAS Retiree Health Insurance webpage](#)
- [Sick Leave Insurance Program \(SLIP\) Calculation Worksheet \(Excel\)](#)
- [Sick Leave Insurance Program \(SLIP\) Calculation Worksheet \(Google\)](#)



SICK LEAVE INSURANCE PLAN (SLIP)

Retiree:

- Must be age 55+ by the retirement date
- Can’t be Medicare eligible
- Must immediately start receiving an IPERS monthly benefit
- Must be enrolled in health coverage at the time of retirement



SICK LEAVE INSURANCE PLAN (SLIP)

How it works:

- Your sick leave balance at retirement is converted into a SLIP account
- The SLIP account pays the state’s share of your total health insurance premium
- You pay the employee share for health insurance
- Does not include dental insurance
- Use SLIP until you’re Medicare-eligible at age 65



SLIP CONVERSION SCHEDULE

- Your SLIP benefit is based on your sick leave balance at retirement
- Sick leave hours are converted into dollars

Hours of sick leave at retirement	Conversion rate
Up to 750	60%
Over 750 to 1,500	80%
Over 1,500	100%



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SLIP CALCULATION – EXAMPLE 1

Sick leave balance **1,250 hours**
 Regular rate of pay at retirement **\$40.00/hour**

Multiply sick leave hours by regular rate of pay	\$50,000
Subtract the \$2,000 sick leave payout	-\$2,000
Eligible balance for SLIP	\$48,000
Conversion rate	80%
Multiply eligible balance by the conversion rate	\$38,400



In this example, the SLIP account is \$38,400



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SLIP CALCULATION – EXAMPLE 2

Sick leave balance **760 hours**
 Regular rate of pay at retirement **\$36.00/hour**

Multiply sick leave hours by regular rate of pay	\$27,360
Subtract the \$2,000 sick leave payout	-\$2,000
Eligible balance for SLIP	\$25,360
Conversion rate	80%
Multiply eligible balance by the conversion rate	\$20,288



In this example, the SLIP account is \$20,288




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SICK LEAVE INSURANCE PLAN (SLIP)

When No One Covered is Eligible for Medicare

↓ ↓

2025	Total Premium	SLIP Pays State Share	Retiree Pays
Iowa Choice			
Single	\$900.00	\$836.00	\$64.00
Family	\$2,106.00	\$1,896.00	\$210.00
National Choice			
Single	\$988.00	\$836.00	\$152.00
Family	\$2,314.00	\$1,896.00	\$418.00




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USING SLIP - EXAMPLE 1

Assumptions

- SLIP account is \$38,400
- State employee retires at age 62
- 36 months until eligible for Medicare
- No increase in health insurance premiums




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USING SLIP - EXAMPLE 1

	Iowa Choice	Total	SLIP Pays	Retiree Pays
Family		\$2,106.00	\$1,896.00	\$210.00

Months		SLIP Pays	Retiree Pays
1 – 20	SLIP pays state portion of Iowa Choice, family	\$37,920.00	\$4,200.00
21	SLIP pays a portion of the premium Retiree pays remaining state's portion	\$480.00	\$1,626.00
The SLIP account is now exhausted			
22 – 36	Retiree pays total premium until eligible for Medicare (15 months @ \$2,106.00)		\$31,590.00
1-36	Total amount of premiums paid	\$38,400.00	\$37,416.00
1-36	Percent of premium paid	51%	49%




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USING SLIP - EXAMPLE 2

Assumptions

- SLIP account is \$20,288
- State employee retires at age 63
- 24 months until eligible for Medicare
- No increase in health insurance premiums



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USING SLIP - EXAMPLE 2

Iowa Choice	Total	SLIP Pays	Retiree Pays
Single	\$900.00	\$836.00	\$64.00

Months		SLIP Pays	Retiree Pays
1 – 24	SLIP pays State portion Retiree pays employee portion	\$20,064.00	\$1,536.00
The retiree is now eligible for Medicare and no longer eligible for the SLIP			
SLIP account balance of \$224.00 is forfeited			

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SLIP & REEMPLOYMENT WITH THE STATE

- Returning to permanent State employment
 - Waive all SLIP benefits
 - Return to State employment once SLIP benefits have ceased
- May be hired in a temporary position
 - Approval from the DAS
 - Fixed and short term only
- May perform services if the SLIP retiree
 - Independent contractor
 - Employed by an entity that contracts with the State
 - Employed by a temporary placement agency

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ADDITIONAL SLIP INFORMATION

- SLIP is NOT subject to federal, state, or FICA taxes
- The state share is paid by the state from your SLIP account
- You pay the employee share directly to Wellmark



SLIP BENEFIT ENDS

The SLIP benefit ends when:

- The SLIP account is depleted
- The retiree become eligible for Medicare
- Return to State of Iowa permanent employment
- Drop state's health plans
- Fail to pay retiree share of the premium
- Die before Medicare eligibility (spouse can continue coverage but can't use remaining SLIP dollars)

Any remaining SLIP dollars are forfeited

MEDICARE OVERVIEW

MEDICARE ELIGIBILITY

- Age 65 and older
- Under age 65 and who has been on Social Security disability for 24 months (Waiting period waive if diagnosed with ALS)
- End-Stage Renal Disease



OVERVIEW OF MEDICARE



Part A - (Hospital Insurance) helps cover:

- Inpatient care in hospitals
- Skilled nursing facility care
- Hospice care
- Home health care



Part B - (Medical Insurance) helps cover:

- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Durable medical equipment
- Preventive care



Part D - (Prescription drug coverage) helps cover:

- Cost of prescription drugs

OVERVIEW OF MEDICARE

Medicare Parts A and B don't pay all of your health care costs

Costs you must pay:

- coinsurance,
- copayments, and
- deductibles



These costs are often called "gaps" in Medicare coverage

MEDICARE ASSISTANCE/RESOURCES

- **Medicare & You 2025**
Official Medicare Handbook
<https://www.medicare.gov/Pubs/pdf/10050-Medicare-and-You.pdf>
- **Senior Health Insurance Information Program (SHIIP)** A free, confidential service to help Iowans make informed decisions about Medicare and other health coverage. Offered by the Iowa Insurance Division.
 - <https://shiip.iowa.gov/>
 - 800-351-4664



HEALTH INSURANCE PREMIUMS



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Health Insurance Premiums

When No One Covered is Eligible for Medicare

2025 Total Monthly Premiums	Single	Family
Iowa Choice	\$900.00	\$2,106.00
National Choice	\$988.00	\$2,314.00



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SLIP Premiums

When No One is Eligible for Medicare

2025	Total Premium	SLIP Pays State Share	Retiree Pays
Iowa Choice			
Single	\$900.00	\$836.00	\$64.00
Family	\$2,106.00	\$1,896.00	\$210.00
National Choice			
Single	\$988.00	\$836.00	\$152.00
Family	\$2,314.00	\$1,896.00	\$428.00



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Health Insurance Premiums

When One is Medicare Eligible and Others Are Not

2025 Total Monthly Premiums	Single	Family
Iowa Choice	\$996.00	\$2,112.00
National Choice	\$1,097.00	\$2,324.00

To lower your Wellmark Premium:
 You have the option to enroll in the state's
 Group MedicareBlue Rx for Iowa,
 a Medicare Part D plan



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PREMIUM SAVINGS

2025	Iowa Choice	National Choice
Single		
Without MedicareBlue Rx	\$996.00	\$1,097.00
With MedicareBlue Rx	\$479.00	\$527.00
MedicareBlue Rx Premium	\$142.80	\$142.80
Family		
Without MedicareBlue Rx	\$2,112.00	\$2,324.00
With MedicareBlue Rx	\$1,215.00	\$1,333.00
MedicareBlue Rx Premium*	\$285.60	\$285.60

* Both the State retiree and spouse are Medicare-eligible and enrolled in MedicareBlue Rx



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SLIP RETIREE WITH A MEDICARE-ELIGIBLE DEPENDENT

Family Coverage	Total Premium	SLIP Contribution	Retiree SLIP Contribution	MedicareBlue Rx Premium	Total Retiree Cost
IOWA CHOICE					
Spouse enrolled in MedicareBlue Rx	\$1,215.00	\$1,215.00	\$0.00	\$142.80	\$142.80
Spouse NOT enrolled in MedicareBlue Rx	\$2,112.00	\$1,896.00	\$216.00	--	\$216.00
NATIONAL CHOICE					
Spouse enrolled in MedicareBlue Rx	\$1,333.00	\$1,333.00	\$0.00	\$142.80	\$142.80
Spouse NOT enrolled in MedicareBlue Rx	\$2,324.00	\$1,896.00	\$428.00	--	\$428.00



PREMIUMS - Group Programs F and N

	Group Program F	Group Program N
2025 Monthly Premiums (single contracts)	\$313.60	\$206.60

You and your spouse/domestic partner can:

- Both enroll in a single Group Program F, or
- Both enroll in a single Group Program N, or
- One enroll in Group Program F and the other enroll in Program N



GROUP MEDICAREBLUE RX FOR IOWA

2025 Monthly Premium


\$142.80 per Medicare-eligible person

How does Group MedicareBlue Rx save you money?

Wellmark and MedicareBlue Rx Iowa coordinate prescription drug coverage, saving you a substantial amount on your Wellmark monthly premium



DENTAL INSURANCE


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RETIREE DENTAL PREMIUMS


To continue with dental coverage in retirement, you must be enrolled at the time of retirement

2025 Monthly Dental Premiums	
Single	\$36.00
Family	\$92.00

- Spouse can continue coverage if covered at the time of the retiree's death
- Medicare is a health insurance, not dental insurance

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LIFE INSURANCE

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LIFE INSURANCE

Life Insurance in force when you retiree

Life Insurance	Coverage
Basic Life Insurance	
All employees (except SPOC-covered employees)	\$20,000
SPOC-covered employees	\$50,000
Supplemental Life Insurance (in force at retirement)	Maximum Amount
All employees (except SPOC-covered employees)	\$100,000
SPOC-covered employees	\$1,000,000



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CONTINUATION OF LIFE INSURANCE



Active life insurance coverage ends last day of the month of employment



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LIFE INSURANCE

Evidence of insurability is NOT required

Two life insurance options:

- Portability
- Conversion



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PORTABILITY OPTION

You can port:

- Basic life insurance
- Supplemental life insurance
- Accidental death & dismemberment (AD&D)

Eligible:

- Leave state employment prior to the age of 80

Not Eligible:

- Under the age of 60 and are applying for long term disability benefits



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PORTABILITY OPTION

- Your insurance will port to a Group Term Life Policy
- Rates are based on age, and increase in 5-year increments
- The minimum amount to port is \$10,000
- The maximum is the amount of coverage (basic + supplemental) you had at the time of retirement



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CONVERSION OPTION

- Convert your basic and supplemental life insurance
- Rates are based on age at the time of conversion and do not increase
- Convert to whole life policy – potential to build cash value



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LIFE INSURANCE APPLICATIONS

Must be requested from The Standard by phone or email

- Phone: 844.450.5547
- Email: cbt@standard.com



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RESOURCES



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RESOURCES

<https://das.iowa.gov/state-employees/human-resources/retirees>



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RESOURCES

<https://www.medicare.gov/Pubs/pdf/10050-Medicare-and-You.pdf>



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RESOURCES

Senior Health Insurance Information Program (SHIIP)

The Iowa Insurance Division's Senior Health Insurance Information Program (SHIIP) offers **free unbiased resources** to help Iowans make informed decisions on their Medicare and other health insurance coverage.

Contact SHIIP at 800-351-4664
<https://shiip.iowa.gov/>



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QUESTIONS?



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